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Seven Steps for States and Regions to Prepare for the American Recovery and Reinvestment Act

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Through the American Recovery and Reinvestment Act (ARRA) the federal government is pumping nearly \$790 billion dollars into state and local coffers to strengthen the United States economy. In order to stimulate the economy as quickly as possible, states are being asked to invest much of this funding into regions within 30 days, and to have the funding obligated and spent within the next 18 months. In addition to getting the money out quickly, states and regions have the enormous challenge of having to figure out how to make the best and most strategic use of the funding. And most important, how to do this so that low-income youth and adults can attain the postsecondary credentials they need to earn family sustaining wages.

Below are some basic steps states and regions might consider taking to determine how to use the stimulus. But first, three points to keep in mind: 1) ARRA funding, and whatever system might be created with the stimulus and other available dollars, *are the means to an end*; 2) the goal is to get people jobs and jump start the economy; and 3) to have a sustained effect, short-term actions need to be part of a long-term plan.

SEVEN STEPS:

1. **Think long and wide, not short and narrow:** Gather leadership from across state and local government agencies and the private sector. The ARRA especially affects commerce, education, energy, health, housing, labor and transportation. To avoid duplication, focus energy, be most efficient, and have effect in every corner of your state. Determining how to spend the funding wisely should involve a discussion first of the state and/or region as a whole, and then among the individual agencies or constituent groups. Prepare to take measured steps to reach long-term goals.

2. **Create a shared vision; think big:** Taking vested interests into account, set goals that all parties have a stake in attaining and from which all will benefit. Again, the ultimate goal of ARRA is to get people jobs and help businesses prosper. How can you stimulate the economy to everyone's benefit? How can you advance the career prospects of those most at risk in the long run, while stimulating the economy in the short run?
3. **Create guiding principles:** You want to have immediate and long lasting effect. You don't want to create something you can't sustain in the future. Create principles that will keep your vision in focus, and help you to attain the results most important to your state or region.
4. **Understand the demand:** What are the current and forecasted labor market needs? What industry sectors and occupations are slated for regional growth? What are the infrastructure needs? Collect and study available data. Check to make sure the data are current. What specific skills and competencies do employers need? Have employers help in the design of whatever you create.
5. **Consider all available and potential workers:** Incumbent workers, low-skilled workers, the unemployed, at-risk youth, mid-level workers – everyone. What do they need to do in order to meet the demand and earn a family-sustaining wage? Look to the future. How will they need to be educated or trained? How might they advance? Are there career pathways in place? How will low-income youth and adults access postsecondary education? What assistance might they need while they pursue their education and training? Will there be jobs for qualified applicants?
6. **Take stock of all available resources:** Map all your assets, no matter who has them or who governs them. Consider all available education and training, all institutions, all available funding, all available policies and programs. Reach across agencies, and include the private sector. What can each resource contribute towards your goals? What needs to be done to free up their availability?
7. **Be accountable:** Whatever you create, whatever you do, prepare to measure its successes and failures from the very beginning. Collect and maintain data. Evaluate your progress and performance regularly. Stop and make corrections along the way.

These steps are intended to provoke the sort of thinking states and regions might undertake to develop plans to use the ARRA and other available funding to stimulate their economies. They are a jumping off point for a fruitful and more expansive discussion. A few examples of state and regional cross-agency workforce development efforts are noted here:

- In 2006, Governor Tim Kaine of the Commonwealth of Virginia set as a goal “the development of a world-class workforce system that is both responsive to employer and worker needs and focused on regional markets.” In December 2008, the governor released the strategic plan for Virginia’s career pathways system. The product of a multiple agency task force and extensive research conducted with key businesses, policymakers, and practitioners, *Bridging Business and Education for the 21st Century Workforce* lays out a blueprint for serving the full spectrum of workers in the commonwealth, from K-12, to prepare them to participate in Virginia’s 21st century economy. The plan represents the best thinking of among others the Virginia Community College System, public colleges and universities, K-12 system, adult education, the Governor’s workforce board, and the Department of Labor and economic development.
- Spearheaded by the Arkansas Department of Higher Education in conjunction with several other state agencies and organizations, the Arkansas Career Pathways Initiative seeks to reduce welfare dependence by connecting community college students to careers in growing industries. Using labor market data, community colleges identify industries or occupations that have strong demand for labor. Each college then brings together a series of connected education and training programs and support services that create avenues allowing students to get work in the fields and to advance over time to higher levels of education and employment. The results are proving very successful and the initiative, which started as a pilot at a few community colleges, has been replicated system-wide.
- Rural Elizabethtown, Kentucky, has experienced a rapid loss of manufacturing jobs in recent years. In response, Elizabethtown Community and Technical College and the local Workforce Investment Board joined forces to seek ways to help residents, including those recently displaced, find jobs that pay family supporting wages. Using grant funding from the Kentucky Community and Technical College System and the Workforce Investment Act, the partners worked with local hospitals and other

employers to develop career pathways to address pressing needs for qualified workers in a small number of healthcare jobs. When the initial effort produced good outcomes, the partners decided to build on their existing success by developing a second career pathway in the transportation industry. As with healthcare, this effort evolved in response to a direct employer need.

- Des Moines Area Community College in cooperation with the Greater Des Moines Partnership, Iowa Employment Solutions, United Way of Central Iowa and Iowans for Social and Economic Development have partnered to develop Central Iowa Works. This comprehensive workforce system is designed to support the region's economy by ensuring that businesses in targeted industries have access to a qualified workforce and area residents have access to careers with family sustaining wages. These partners meet regularly with employers from the advanced manufacturing, construction, finance, health care and information technology industries. The goal is to develop a systemic response to the region's workforce challenges.